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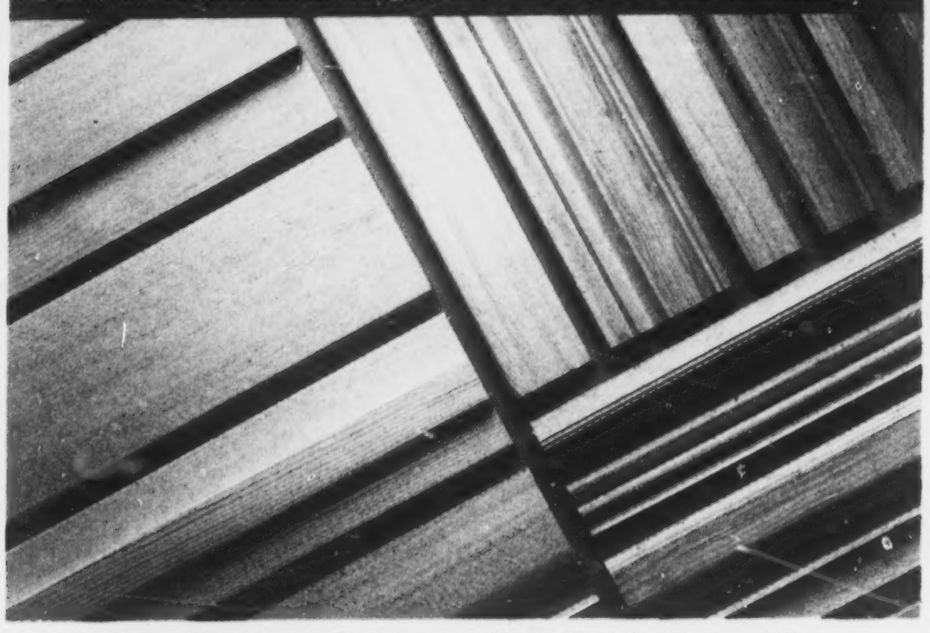

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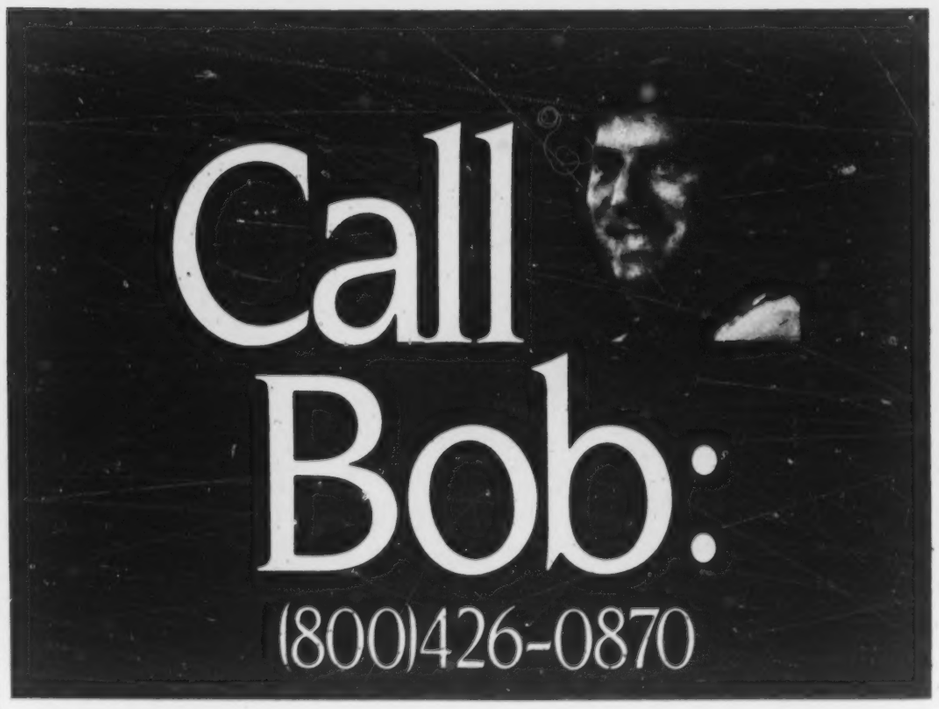

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LUMBER REPORT

New poll shows lumber dealers fearful that 4-year boom is over

By Milford Prewitt
NHCN staff editor

EUGENE, Wash. — Lumber and building material dealers fear that the boom of the past four years is winding down and indicate that they will be entering 1987 cautiously, according to a poll conducted by *Random Lengths*, the weekly lumber trading newsletter.

Dealers operating 210 firms with 1,680 lumber yards expressed less enthusiasm about their business prospects this year in the newsletter's annual outlook series.

The countervailing duty on Canadian lumber imports and the unpredictable consequences of the new tax law seem to account for the bulk of the dealers' foreboding.

Dealer attitudes were also shaped by the varied regional economies of the Northeast, the Midwest, the West and the South.

Weak regional pockets

While many operators profited nationally from the vigorous housing market and lower interest rates in 1986, the regional responses were different. Some markets in the South are beginning to show signs of becoming overbuilt and are still pounded by the depression in energy-related industries. Midwestern dealers were encouraged by an upswing in remodeling but discouraged by economic stagnation that slowed new home construction.

The West is hampered by patches of unemployment and overpopulation. In the Northeast, new home and office construction is expected to continue.

Only half of the dealers polled said they were more optimistic about the coming year than they were a year ago. However, fewer dealers are expecting sales declines during the next year.

Dealers in the South and West exhibited the lowest enthusiasm for 1987, with only 48% and 45%, respectively, expecting this year to be better than last.

About 80% of the dealers in the Northeast predict their sales will be up in 1987 and none expect a decline. But less than 45% of the retailers in the Midwest, West and South expect a sales volume increase in 1987.

Dealers differ with findings

While lumber and building material dealers questioned about the poll by *NHCN* agreed with its broad findings, some argued that there are many exceptions that promise to rebut some of the regional predictions.

For example, Jim Culpepper, president of the independent, $1.9 million Bogalusa Lumber Co. in Bogalusa, La., said he had been blessed by having two shopping centers constructed on opposite sides of his company.

"That has had a tremendous impact on our business and I think it's going to continue," in 1987, Culpepper said.

In the Northeast where most predictions are rosy, Tom O'Malley, vp of Gerrity Building Centers in Meredith, N.H., indicated that the pace of building is not slowing in the market area and will continue into the next year. Gerrity is a 16-unit chain which generated 93% of its $159 million sales volume in 1985 from contractors.

"I don't see a slackening as far as what is being bid on by builders," he said, "especially among the smaller builders who are doing 10 to 15 homes a year."

Close to 70% of the dealers in the poll increased their sales volume in 1986 by an average of 10% to 15%. Although dealers in the West and the South improved their profit picture in 1986, their results lagged behind those reported in the Northeast and Midwest.

Other findings in the survey included most building material dealers reporting that their inventories are higher than a year ago.

Although many of the dealers were gloomy about their prospects in 1987, half of all the dealers—except those in the West—feel they have to add to their wood supplies before April.

Nearly half of all the dealers surveyed carried more products for DIYers in 1985. The growth in products for DIYers was the most vivid in the South where 50% of the dealers carried consumer-oriented merchandise, compared to 40% last year.

Dealers in the Midwest bought more western and southern lumber and less Canadian lumber in 1986, probably attributable to the mill strikes in British Columbia and the import duty. But use of Canadian lumber in the Northeast remained heavy.

About one third of the dealers in the Northeast bought 70% of their lumber from Canadian mills. About half of the Western dealers polled carried lumber only from western mills.

The onward thrust of nonveneer structural panels also made more inroads into dealers inventories in 1986. Waferboard and Oriented Strand Board (OSB) accounted for nearly half of all the structural panels stocked nationally, but operators in the West used western plywood to satisfy 90% of their structural panel needs.

* * * *

The four-month-old strike against British Columbian mills ended in early December as members of the International Woodworkers Association (IWA) agreed to an 18-month contract.

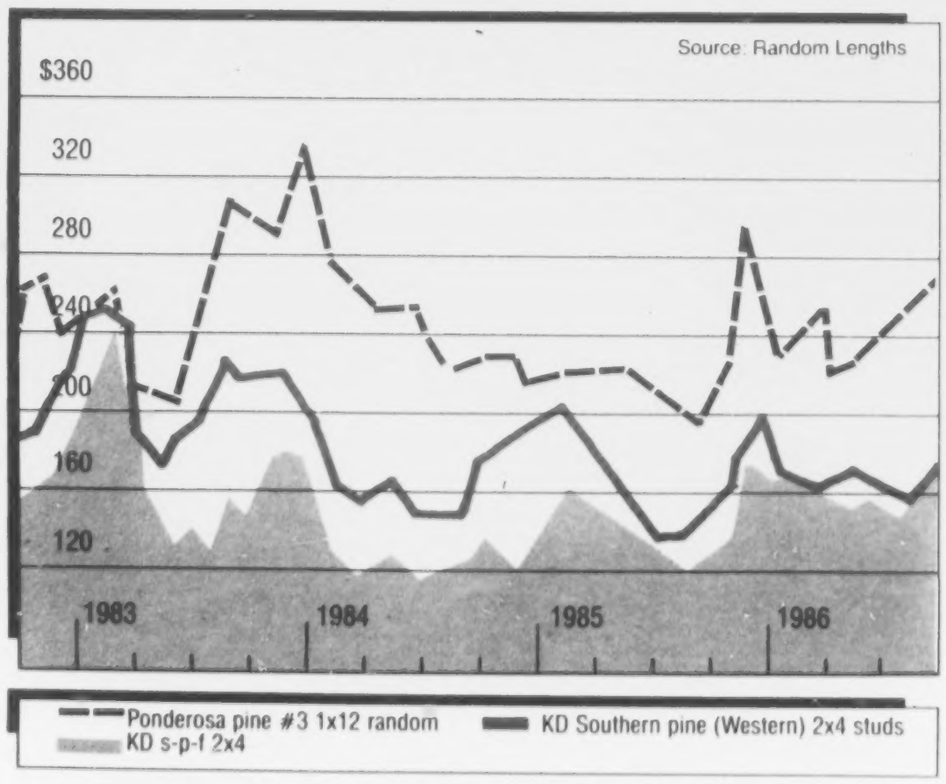
Members of the IWA voted 89% in favor of accepting the agreement in which management agreed to limit the amount of outside contracting to current levels.

The issue of outside contracting—in which lumber producers hired independent firms to cut timber—was one of the two bitter issues that divided IWA membership from mill management. The other issue was contract language that changed the traditional definitions of seniority and merit. The IWA had argued that the new definitions would have made it easy for management to hire and fire its employees.

Supply and price levels have reacted mildly to the end of the strike. Although mills are gearing up to fill order files, prices have softened, offset by the settling of winter in the northern states and the seasonal slump in demand.

Commodity close-up

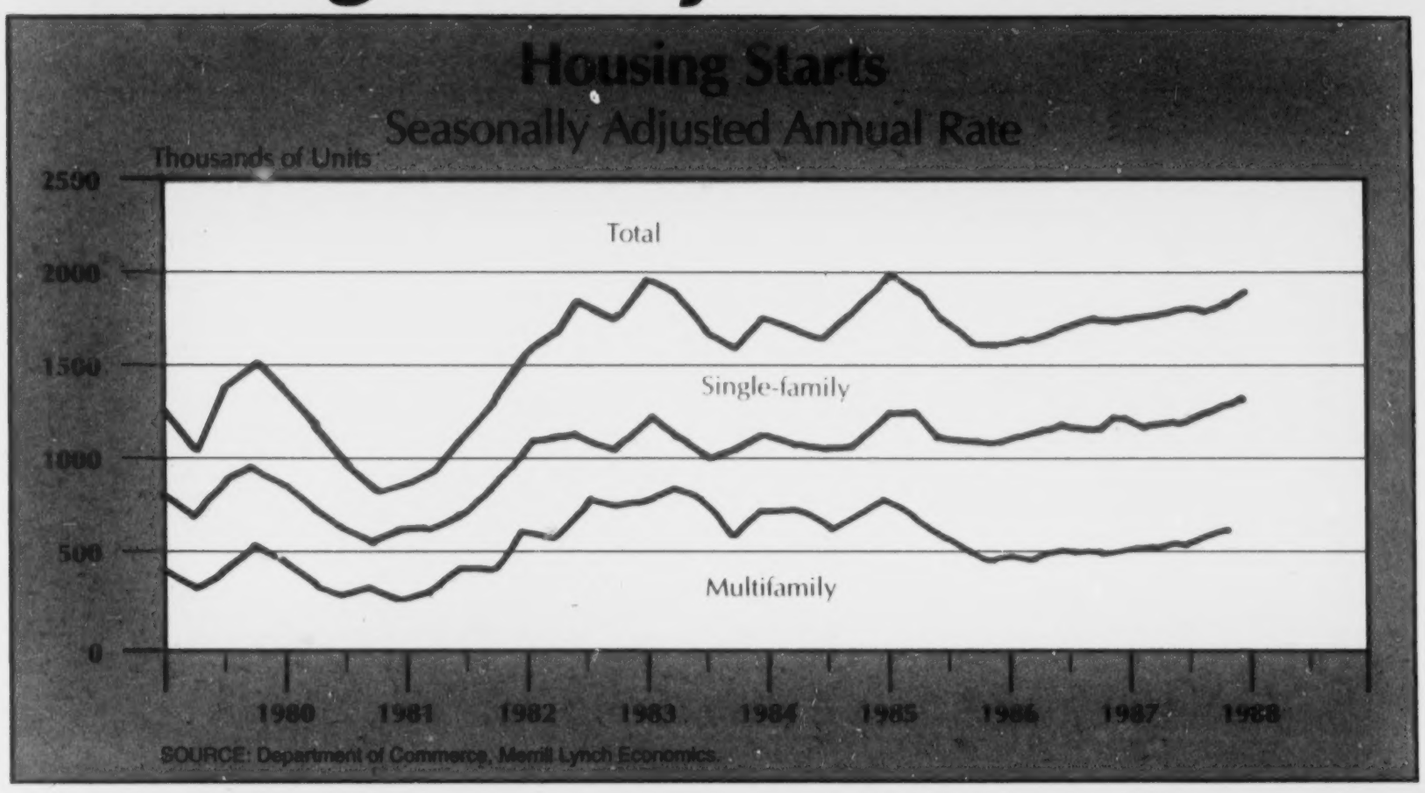
Studs and Boards
Average mill monthly prices



Price points for studs and boards rose during the month of November. Ponderosa pine #3 1x12 had the biggest one-month jump from an October trading level of $231 per thousand board feet to $249. KD Southern pine (west) 2x4 studs rose in November to $163 per thousand board feet and KD s-p-f 2x4 jumped from $148 to $152 per thousand board feet.

BUSINESS WATCH

Housing activity to increase building material sales



(Continued from page 10)
declining since January 1986 and will continue to soften into the second quarter of 1987. Starts will decline from 1.83 million units in 1986 to 1.70 million in 1987.

However, the weakness is concentrated in multiunit structures which have been harmed by the new tax law. This law lengthens the depreciation schedule for residential investment properties to 27.5 years from 19, while limiting the deduction of real estate losses from income.

Single units, in contrast, did not decline much during 1986, and lower mortgage rates will keep these units at 1.2 million in 1987. Consumers have avoided the lower-priced adjustable rate mortgages (ARM's) over the past year in a declining interest environment.

During 1987 and 1988, buyers will return to ARM's, which carry lower interest rate payments, as inflationary expectations ebb, and resales and single unit starts will rise.

Resales, a major market for most building material retailers, were very strong in the second half of 1986 and will increase building material sales during 1987.

Resales are the most significant factor in the *NHCN* Leading Indicator. In September and October, resales were at a seven-year high while single-unit starts edged lower.

New housing became less affordable in 1986 when average home prices rose 11%. Buyers turned to resales, where average prices were $14,000 less than new. The new tax bill made resales more attractive than new by cutting marginal tax rates. By reducing deductions, the after-tax cost of housing increases.

Resales will remain at 3.5 million units in 1987, unchanged from 1986, but down from the 3.8 million unit pace of September and October. Lower interest rates and a rising economy in the second half of 1987 will keep this market for building materials strong.

Building material sales

The first look at the 1987 outlook calls for another year of double-digit gains. An 11% rise in dollar volume seems most likely now, 6% after adjusting for price changes. The economy will be stronger while single-unit starts and resales will be unchanged from 1986. Strength in resales in the second half of 1986 will keep DIY work strong. The tax bill favors major remodeling work.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

Newell ups stake in Anchor Hocking to 1.3 mil. shares

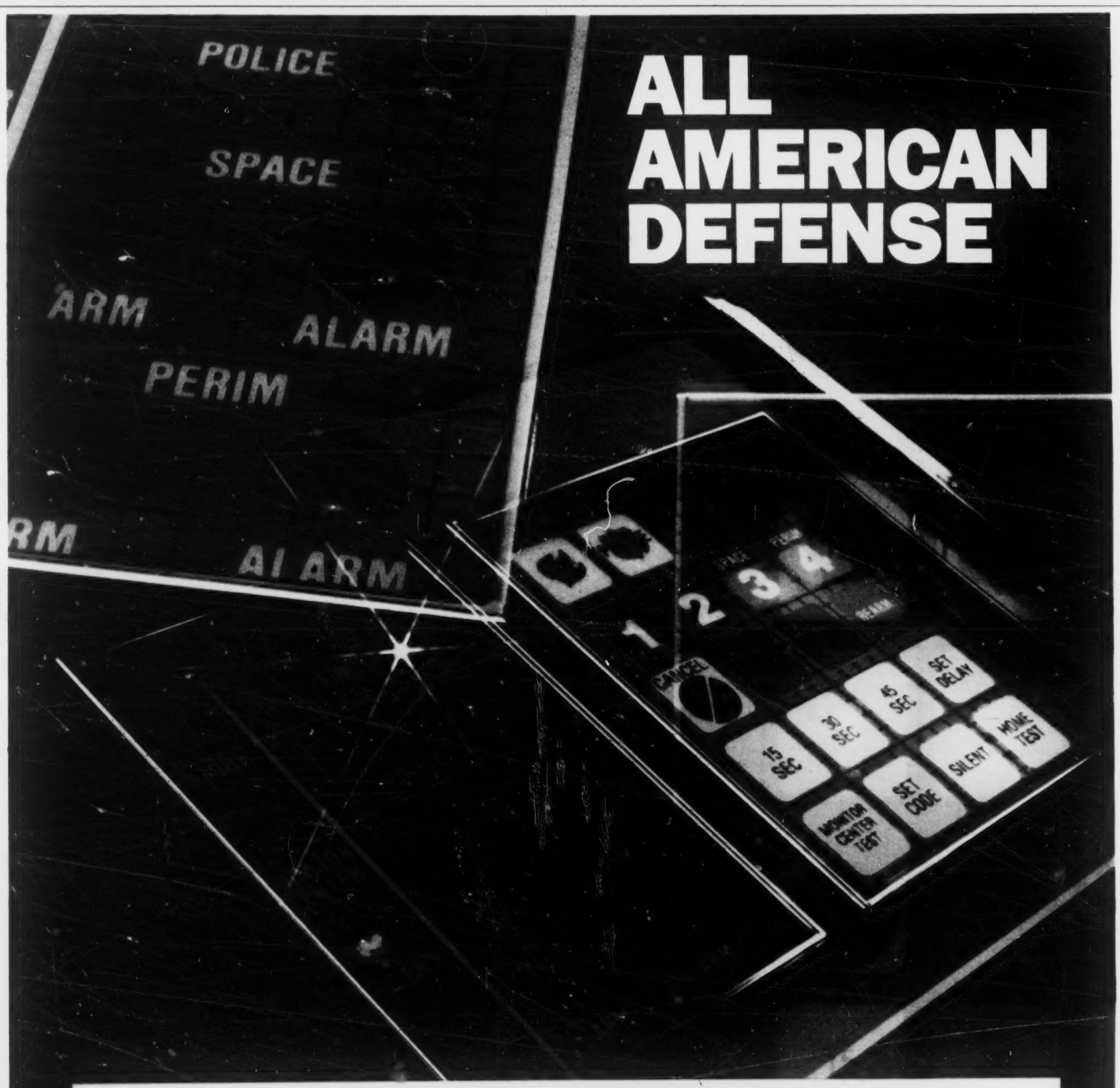
By an NHCN staff editor

FREEPORT, Ill. — Newell Co. has increased its stake in Anchor Hocking to 1.3 million shares, or 12.51% of the target firm's common stock.

The latest stock acquisitions, which were made over the past two months, reflect the continuing interest by Newell in acquiring the Lancaster, Ohio-based Anchor Hocking. Early last November, Newell had made an open offer of $34 per share for all outstanding shares.

Because the Newell bid was not significantly higher than the market price of the target shares, Anchor Hocking rejected the bid when it was first made (*NHCN*, Dec. 1, 1986).

"From our standpoint, there has been no change in our position," said Al Lewis, Anchor Hocking's spokesman.



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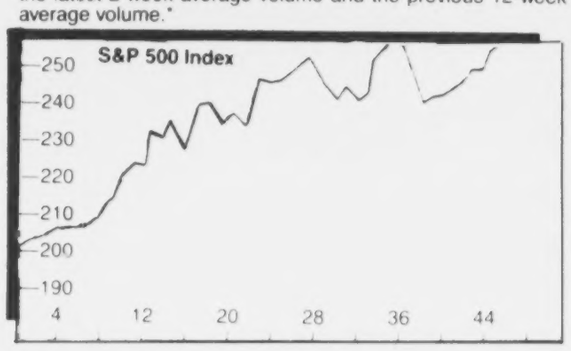
The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on Feb. 1, 1985, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the *NHCN* stock list.

Most Active Stocks

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
11-14-86	(100)	%	%
Lewis Palmer ..... M	2,965	414.3	- 1.6
Forest City Ent ..... A	555	400.0	2.5
Natl Hardgoods ..... M	274	395.6	3.6
Pope & Talbot ..... N	3,602	383.9	8.3
Stanley Works ..... N	12,522	322.5	.9
Mich General ..... A	5,623	279.5	- 23.1
Am Woodmark ..... M	1,546	255.6	7.7
Potlatch Cp ..... N	2,902	253.2	5.8
Boise Cascade ..... N	16,048	232.1	- 1.6
Newell Co ..... N	3,606	228.1	.9

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.*



Price Movement

Company & Market	2-Weeks Ended 12-12-86	2-Week Price Change	Total 2-Week Volume
Winners	$	%	(100)
Owens Ill Fibr ..... N	12.25	16.7	98,128
Waxman Ind ..... M	17.75	8.4	884
Pope & Talbot ..... N	24.50	8.3	3,602
Am Woodmark ..... M	14.00	7.7	1,546
Certain-teed ..... N	31.38	5.9	2,103
Potlatch Cp ..... N	59.25	5.8	2,902
Manville Cp ..... N	2.38	5.6	11,953
Macmillan Bloedel ..... M	31.00	4.6	224
Sherwin-Wms ..... N	29.50	4.4	14,972
Ply-Gem ..... A	12.63	4.1	2,810
Losers	$	%	(100)
Stanline Inc ..... M	1.25	- 23.1	5,623
USG Corp ..... N	8.63	- 12.7	22,684
Natl Lumber ..... M	28.00	- 12.5	79
Insilco Corp ..... N	8.38	- 10.7	2,147
Wickes Cos ..... A	25.38	- 8.6	14,061
Mich General ..... A	8.25	- 8.3	178
Svc Merchandise ..... M	40.00	- 8.3	43,618
Color Tile ..... M	4.25	- 8.1	636
Wolohan Lumber ..... M	19.75	- 7.1	4,705
Lowe's Cos ..... N	3.75	- 6.3	83,322

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 12-12-86	2-Weeks Change: Amt.	2-Weeks Change: Pct.	2-Week Range: High	2-Week Range: Low	52-Week Range: High	52-Week Range: Low	Volume: 2-Weeks Shares Traded: Total	Volume: 2-Weeks Shares Traded: % Out	Volume: 12-Week Avg. Vol. As % Out	Volume Trend
-	$	$	%	$	$	$	$	(100)	%	%	%
Retailers											
Color Tile ..... M	28.00	- 4.00	- 12.5	33.00	28.00	33.00	19.50	79	.08	.88	- 90.9
Erb Lumber ..... M	15.88	.00	.0	16.38	15.13	19.25	8.38	427	1.31	.68	92.6
Forest City Ent ..... A	30.63	.75	2.5	31.50	30.13	33.50	22.00	555	.70	.14	400.0
Grace W R ..... N	51.63	- 1.13	- 2.1	56.00	51.50	60.75	45.25	20,807	5.01	3.61	38.8
Handyman ..... A	44.63	- .38	- .8	45.38	44.13	47.63	26.38	681	2.65	1.03	157.3
Hechinger A ..... M	18.25	- .63	- 3.3	18.75	18.25	23.59	15.00	2,046	1.87	1.47	27.2
Hechinger B ..... M	18.63	- .38	- 2.0	18.75	18.25	23.59	15.19	679	.41	.14	192.9
Home Depot ..... N	18.13	- .75	- 4.0	18.88	18.13	21.75	10.75	7,164	2.84	1.66	71.1
INTERCO Inc ..... N	43.00	- 1.13	- 2.5	44.50	42.88	47.63	33.50	7,372	2.58	.95	171.6
K mart Cp ..... N	47.25	- 3.00	- 6.0	51.25	46.50	57.38	33.63	75,677	5.85	2.12	175.9
Lowe's Cos ..... N	25.38	- 2.38	- 8.6	29.13	25.25	41.50	22.50	14,061	3.55	2.00	77.5
Mich General ..... A	1.25	- .38	- 23.1	1.63	1.00	5.25	1.00	5,623	3.15	.83	279.5
Natl Hardgoods ..... M	7.25	.25	3.6	7.50	6.88	9.31	5.47	274	2.23	.45	395.6
Natl Lumber ..... M	4.25	- .38	- 8.1	4.63	4.25	7.00	4.00	636	1.13	.37	205.4
Pay N Pak ..... N	11.75	- .75	- 6.0	12.50	11.63	19.38	9.50	1,746	1.75	1.42	23.2
Payless Cash ..... N	18.00	- 1.13	- 5.9	20.25	17.88	27.50	14.50	17,307	5.00	1.70	194.1
Scotty's Inc ..... N	12.63	- .38	- 2.9	13.25	12.63	18.13	12.25	1,238	.86	.83	3.6
Sears, Roebuck ..... N	41.25	- 2.75	- 6.3	45.13	40.25	50.38	35.88	84,641	2.27	.88	158.0
Svc Merchandise ..... M	8.63	- 1.25	- 12.7	9.75	8.50	15.00	8.25	22,684	6.81	5.39	26.3
Std Brd Pnt ..... N	21.88	- 1.13	- 4.9	23.50	21.38	27.00	19.38	1,984	1.75	2.35	- 25.5
Supermkts Gen ..... N	25.00	- 1.00	- 3.8	28.38	24.50	32.25	23.75	9,700	2.52	1.18	113.6
Wickes Cos ..... A	3.75	- .25	- 6.3	4.00	3.50	7.00	3.50	83,322	3.51	1.70	106.5
Wolohan Lumber ..... M	8.38	- 1.00	- 10.7	9.25	8.38	10.75	5.75	2,147	3.66	1.45	152.4
Zayre Corp ..... N	25.88	- .75	- 2.8	27.38	25.00	43.88	20.75	32,430	5.50	3.42	60.8
Wholesalers											
Lewis Palmer ..... M	7.63	- .13	- 1.6	8.00	7.25	9.88	7.13	2,965	7.56	1.47	414.3
Stanline Inc ..... M	8.25	- .75	- 8.3	8.63	8.00	12.13	7.84	178	1.05	.47	123.4
Manufacturers											
Allegheny Int ..... N	13.00	- .13	- 1.0	14.75	12.75	25.25	11.38	4,238	3.94	2.14	84.1
Am Standard ..... N	42.88	- .38	- .9	44.38	42.63	46.88	36.00	10,258	2.73	1.29	111.6
Am Woodmark ..... M	14.00	1.00	7.7	14.75	12.75	14.75	10.00	1,546	2.24	.63	255.6
Armstrng Wrld ..... N	31.63	- .13	- .4	35.00	30.00	35.00	19.81	12,249	2.54	1.34	89.6
Black & Decker ..... N	16.13	- .88	- 5.1	17.63	16.13	25.25	14.50	18,701	3.22	1.73	86.1
Boise Cascade ..... N	60.88	- 1.00	- 1.6	64.88	60.75	64.88	44.50	16,048	5.48	1.65	232.1
Certain-teed ..... N	31.38	1.75	5.9	32.25	29.63	38.50	22.63	2,103	1.11	.45	146.7
Champ Intl ..... N	31.50	- 1.63	- 4.9	34.00	31.25	34.00	22.50	59,853	6.36	2.98	113.4
DeSoto Inc ..... N	39.88	- .13	- .3	40.50	39.63	41.38	34.25	431	.90	.54	66.7
Emhart Corp ..... N	33.75	- .38	- 1.1	34.75	32.75	42.63	30.25	6,977	2.25	1.08	108.3
Genova ..... M	4.75	- .25	- 5.0	5.00	4.75	5.88	4.38	40	.10	.12	- 16.7
Georgia-Pacifc ..... N	38.63	- .63	- 1.6	41.25	38.38	41.25	24.75	39,951	3.85	2.08	85.1
Insilco Corp ..... N	19.75	- 1.50	- 7.1	22.00	19.75	23.56	16.66	4,705	2.26	1.27	78.0
La Pacific ..... N	31.63	.75	2.4	33.50	30.75	33.50	20.41	18,908	5.11	1.86	174.7
Macmillan Bloedel ..... M	31.00	1.38	4.6	31.25	29.63	31.25	16.13	224	.07	.04	75.0
Manville Cp ..... N	2.38	.13	5.6	2.38	2.00	8.88	2.00	11,953	4.98	1.66	200.0
Masco Corp ..... N	28.00	.38	1.4	29.00	26.88	34.50	19.50	36,714	2.85	1.10	159.1
Mor-Flo Inds ..... M	14.00	.13	.9	14.00	13.50	19.25	12.00	66	.26	.43	- 39.5
Newell Co ..... N	28.38	.25	.9	29.00	27.50	36.75	21.00	3,606	3.15	.96	228.1
Owens Ill Fibr ..... N	12.25	1.75	16.7	13.00	10.25	13.00	8.88	98,128	26.18	NC	NC
Ply-Gem ..... A	12.63	.50	4.1	12.75	12.00	15.50	10.00	2,810	3.50	2.28	53.5
Pope & Talbot ..... N	24.50	1.88	8.3	25.38	22.50	25.38	17.25	3,602	6.00	1.24	383.9
Potlatch Cp ..... N	59.25	3.25	5.8	60.50	55.63	61.00	34.63	2,902	2.19	.62	253.2
Sherwin-Wms ..... N	29.50	1.25	4.4	30.00	27.25	32.25	21.31	14,972	3.32	1.37	142.3
SW Forest Ind ..... N	18.00	.00	.0	19.75	17.75	19.75	10.88	8,620	7.02	3.27	114.7
Stanley Works ..... N	27.50	.25	.9	28.88	27.00	30.84	20.50	12,522	3.00	.71	322.5
Thos Inds ..... N	16.25	- .56	- 3.3	16.75	15.50	24.31	15.50	1,358	1.37	.61	124.6
USG Corp ..... N	40.00	- 3.63	- 8.3	45.38	39.25	46.50	22.25	43,618	6.86	3.04	125.7
Walter, Jim ..... N	49.00	1.00	2.1	49.75	47.25	54.63	32.59	11,698	3.69	1.51	144.4
Waxman Ind ..... M	17.75	1.38	8.4	17.75	16.38	17.75	10.38	88	2.81	.98	186.7
Weyerhaeuser ..... N	39.13	- .25	- .6	41.25	38.38	41.25	29.63	42,632	3.27	1.31	149.6

Company and Market	Financial Update: P/E Ratio	Indicated Divd. Rate: Amt.	Indicated Divd. Rate: Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue: Amt.	Latest Quarter: Revenue: Chg.	Latest Quarter: Net Income: Amt.	Latest Quarter: Net Income: Chg.	Latest Quarter: E.P.S.: Amt.	Latest Quarter: E.P.S.: Chg.	Year-to-Date: Revenue: Amt.	Year-to-Date: Revenue: Chg.	Year-to-Date: Net Income: Amt.	Year-to-Date: Net Income: Chg.	Year-to-Date: E.P.S.: Amt.	Year-to-Date: E.P.S.: Chg.
-	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																		
Color Tile ..... M	17.7	.00	.0	.....	fiscal	06-86	107.0	9.4	4.9	22.5	.52	18.2	387.1	11.5	14.9	12.0	1.58	9.0
Erb Lumber ..... M	8.1	.00	.0	.....	9 mos.	09-86	83.3	37.0	2.9	26.1	.90	34.3	178.9	27.6	4.8	11.6	1.47	20.5
Forest City Ent ..... A	27.8	.30	1.0	.....	6 mos.	07-86	43.3	- 19.1	6.4	88.2	.80	86.0	131.3	3.2	6.6	83.3	.83	84.4
Grace W R ..... N	17.6	2.80	5.4	.....	9 mos.	09-86	1321.2	- 24.9	4.4	- 82.6	.10	- 75.6	3982.2	- 24.1	87.7	- 14.2	2.08	6.1
Handyman ..... A	19.7	.00	.0	.....	9 mos.	09-86	65.2	7.2	1.0	- 9.1	.39	- 9.3	178.0	2.1	3.0	- 50.8	1.18	- 51.0
Hechinger A ..... M	NA	.16	.9	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B ..... M	21.7	.06	.3	.....	9 mos.	10-86	149.1	26.0	6.3	14.5	.21	16.7	448.1	23.7	19.6	18.8	.64	14.3
Home Depot ..... N	24.5	.00	.0	.....	9 mos.	10-86	251.5	41.5	3.9	225.0	.15	275.0	737.6	48.4	16.2	189.3	.63	186.4
INTERCO Inc ..... N	14.2	1.60	3.7	.....	6 mos.	08-86	625.7	- 2.8	23.4	.9	.74	1.4	1204.9	- 2.3	37.8	9.9	1.20	10.1
K mart Cp ..... N	20.3	1.48	3.1	.....	9 mos.	10-86	5686.3	8.9	87.3	12.8	.66	10.0	16877.7	7.7	297.3	41.1	2.24	36.6
Lowe's Cos ..... N	17.3	.40	1.6	.....	9 mos.	10-86	594.3	8.2	12.5	- 19.9	.31	- 26.2	1786.1	11.8	45.1	- 6.8	1.16	- 12.8
Mich General ..... A	NE	.00	.0	.....	9 mos.	09-86	78.9	- 38.5	(2.9)	NE	(.36)	NE	290.1	- 13.5	(11.4)	NE	(1.11)	NE
Natl Hardgoods ..... M	17.3	.00a	.0	.....	9 mos.	10-86	8.4	12.0	.1	.0	.07	- 12.5	25.8	5.3	.5	25.0	.35	20.7
Natl Lumber ..... M	NE	.00	.0	NEW	*	10-86	NC	NC	NC	NC	NC	NC	111.1	NC	(.5)	NC	(.08)	NC
Pay N Pak ..... N	18.1	.40	3.4	.....	6 mos.	08-86	108.7	20.1	1.1	- 63.3	.11	- 63.3	213.8	23.4	3.4	- 33.3	.34	- 33.3
Payless Cash ..... N	14.6	.16	.9	.....	9 mos.	08-86	418.8	10.4	13.4	8.1	.39	8.3	1122.1	11.1	31.4	16.3	.91	13.8
Scotty's Inc ..... N	15.0	.52	4.1	.....	3 mos.	09-86	118.7	7.6	1.6	- 42.9	.11	- 45.0	118.7	7.6	1.6	- 42.9	.11	- 45.0
Sears, Roebuck ..... N	11.2	1.76	4.3	.....	9 mos.	09-86	11171.3	11.2	328.1	25.1	.88	23.9	31311.8	9.3	808.3	7.6	2.17	6.9
Svc Merchandise ..... M	NE	.08	.9	.....	9 mos.	09-86	329.5	- 37.6	(30.3)	NE	(.92)	NE	1413.2	- .5	(68.8)	NE	(2.07)	NE
Std Brd Pnt ..... N	17.8	.58	2.7	NEW	9 mos.	10-86	85.9	- 4.6	4.2	5.0	.38	8.6	252.9	- 5.1	12.3	- 13.4	1.09	- 13.5
Supermkts Gen ..... N	14.7	.28	1.1	NEW	9 mos.	10-86	1374.7	8.8	9.6	- 60.3	.24	- 29.4	4073.4	8.2	41.8	- .7	1.10	- 6.8
Wickes Cos ..... A	10.1	.00	.0	NEW	9 mos.	10-86	1254.8	- 14.5	33.0	114.3	.15	200.0	3361.7	11.6	69.5	252.8	.30	650.0
Wolohan Lumber ..... M	10.1	.20	2.4	.....	9 mos.	09-86	58.7	25.4	1.9	58.3	.33	65.0	141.9	25.2	3.6	63.6	.61	60.5
Zayre Corp ..... N	18.1	.32	1.2	.....	9 mos.	10-86	1316.4	30.5	22.9	- 15.2	.38	- 17.4	3573.6	32.6	48.6	- 16.5	.81	- 19.0
Wholesalers																		
Lewis Palmer ..... M	23.8	.28	3.7	NEW	9 mos.	10-86	60.0	50.4	.7	16.7	.17	6.3	140.4	27.2	1.2	50.0	.31	40.9
Stanline Inc ..... M	9.9	.27b	3.3	.....	9 mos.	07-86	16.4	18.0	.5	66.7	.25	8.7	43.8	5.5	1.1	22.2	.61	- 9.0
Manufacturers																		
Allegheny Int ..... N	NE	.00	.0	.....	9 mos.	09-86	438.0	- 14.1	(9.7)	NE	(1.60)	NE	1350.9	- 10.7	.6	NE	(2.04)	NE
Am Standard ..... N	8.5	1.60	3.7	.....	6 mos.	06-86	819.4	8.4	80.1	114.7	2.12	123.2	1534.4	7.7	130.3	126.2	3.42	132.7
Am Woodmark ..... M	12.8	.00	.0	.....	6 mos.	10-86	31.9	31.3	2.3	109.1	.33	50.0	60.3	24.1	4.1	86.4	.63	43.2
Armstrng Wrld ..... N	13.3	.84	2.7	.....	9 mos.	09-86	506.0	13.3	35.6	26.7	.73	25.9	1423.9	13.6	92.3	17.9	1.91	17.2
Black & Decker ..... N	32.9	.40	2.5	.....	fiscal	09-86	437.9	- 3.6	2.2	- 78.4	.03	- 85.0	1791.2	3.4	27.5	- 41.4	.49	- 46.7
Boise Cascade ..... N	21.1	1.90	3.1	.....	9 mos.	09-86	959.5	2.7	13.3	- 34.5	.38	- 41.5	2821.2	- .8	69.6	- 18.4	2.28	- 19.7
Certain-teed ..... N	10.5	.90	2.9	.....	9 mos.	09-86	304.5	.1	19.9	8.7	1.04	11.8	845.6	- .3	46.6	8.4	2.45	12.4
Champ Intl ..... N	17.9	.52	1.7	.....	9 mos.	09-86	1110.9	- 16.5	63.8	68.3	.68	83.8	3329.6	- 27.2	136.3	9.0	1.39	13.9
DeSoto Inc ..... N	30.0	1.40	3.5	.....	9 mos.	09-86	107.7	- 1.4	(3.8)	- 100.0	(.80)	- 100.0	336.0	1.8	3.5	- 69.0	.73	- 69.2
Emhart Corp ..... N	NE	1.40	4.1	.....	9 mos.	09-86	472.6	12.2	(71.2)	- 100.0	(2.30)	- 100.0	1510.1	17.0	(33.4)	- 100.0	(.98)	- 100.0
Genova ..... M	11.0	.10	2.1	.....	fiscal	09-86	15.9	15.2	.7	.0	.19	- 5.0	51.8	4.2	1.6	6.7	.43	7.5
Georgia-Pacifc ..... N	20.1	1.00	2.6	.....	9 mos.	09-86	1909.0	9.0	97.0	67.2	.90	73.1	5442.0	6.2	213.0	22.4	1.94	24.4
Insilco Corp ..... N	15.2	1.00b	5.1	.....	9 mos.	09-86	195.5	- 6.5	7.0	18.6	.27	- 3.6	572.9	- 10.1	25.3	12.4	1.14	.0
La Pacific ..... N	20.8	.80b	2.5	.....	9 mos.	09-86	407.4	22.6	22.2	96.5	.60	93.5	1124.0	18.5	48.1	157.2	1.31	156.9
Macmillan Bloedel ..... M	NA	.75	NA	.....	9 mos.	09-86	657.6	10.1	31.7	162.0	.74	311.1	1969.5	13.6	110.0	388.9	2.73	2630.0
Manville Cp ..... N	1.0	.00	.0	.....	9 mos.	09-86	511.1	8.4	26.7	NE	.85	NE	1457.2	3.7	63.9	- NE	1.88	NE
Masco Corp ..... N	19.9	.36	1.3	.....	6 mos.	06-86	327.0	27.7	51.6	42.1	.40	29.0	635.0	30.9	96.7	34.7	.75	21.0
Mor-Flo Inds ..... M	15.6	.01	.1	.....	9 mos.	09-86	47.2	.4	.3	.0	.10	- 9.1	147.9	- 3.3	1.8	- 51.4	.70	- 51.7
Newell Co ..... N	13.2	.84	3.0	.....	9 mos.	09-86	106.3	15.3	7.4	37.0	.64	6.7	295.9	16.8	16.6	23.9	1.54	4.1
Owens Ill Fibr ..... N	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ply-Gem ..... A	14.5	.12	1.0	.....	9 mos.	09-86	59.2	49.9	1.6	45.5	.16	.0	168.9	37.3	6.0	93.5	.72	41.2
Pope & Talbot ..... N	18.4	.80	3.3	.....	9 mos.	09-86	78.1	- 4.8	4.3	115.0	.72	111.8	228.3	- 8.8	7.4	21.3	1.23	21.8
Potlatch Cp ..... N	15.6	.68	2.8	.....	9 mos.	09-86	249.9	4.3	16.7	47.8	1.18	81.5	733.1	1.4	49.8	49.5	3.53	82.9
Sherwin-Wms ..... N	17.1	.50	1.7	.....	9 mos.	09-86	604.1	4.4	32.3	11.0	.70	11.1	1705.1	1.6	69.7	10.1	1.50	8.7
SW Forest Ind ..... N	NE	.00	.0	.....	9 mos.	09-86	160.6	- 11.6	4.1	NE	.30	NE	461.6	- 13.1	(7.9)	NE	(.89)	NE
Stanley Works ..... N	14.2	.76	2.8	.....	9 mos.	09-86	388.3	30.7	20.1	3.6	.48	2.1	1115.1	25.9	55.3	5.1	1.32	3.1
Thos Inds ..... N	11.7	.62b	3.8	.....	9 mos.	09-86	72.7	- 8.1	2.1	- 57.1	.22	- 56.9	220.6	- 4.9	9.6	- 20.0	.97	- 21.1
USG Corp ..... N	11.7	1.12	2.8	.....	9 mos.	09-86	653.9	- .5	41.1	- 37.4	.65	- 33.7	2028.6	7.3	169.0	- .5	2.61	2.8
Walter, Jim ..... N	10.6	1.40	2.9	.....	fiscal	06-86	1741.4	177.3	100.1	160.7	3.38	141.4	2368.3	3.3	138.6	24.1	4.64	13.4
Waxman Ind ..... M	18.5	.08	.5	.....	3 mos.	09-86	26.7	24.2	.8	33.3	.24	33.3	26.7	24.2	.8	33.3	.24	33.3
Weyerhaeuser ..... N	23.9	1.30	3.3	.....	9 mos.	09-86	1397.3	8.2	62.2	61.1	.44	83.3	4201.4	5.9	180.6	32.3	1.21	36.0

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

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National
Home Center News ®

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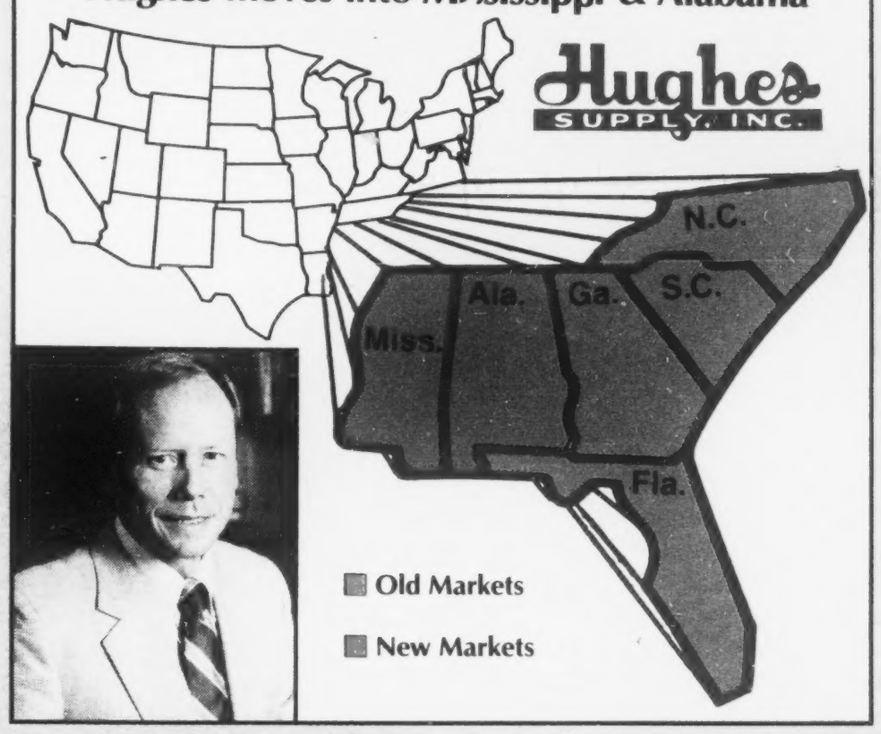


Hughes Supply is stretching west by purchasing two companies. Pictured is David H. Hughes, president. NHCN map

Hughes buys two Southeast wholesalers

By Phillip M. Perry
NHCN staff editor

ORLANDO, Fla. — Giant wholesaler Hughes Supply has made two acquisitions that increase its annual revenues by 13% to $400 million and underscore Hughes' growing dominance in the Southeast.

Late last month, the company purchased Paine Supply, a Jackson, Miss., distributor with sales of $23 million, and the $22 million USCO in Monroe, N.C.

The acquisition of Paine Supply, with its 14 distribution centers, extended Hughes operations into the states of Mississippi and Alabama. Previously, Hughes operated in Florida, Georgia and North and South Carolina. USCO operates 12 centers in North and South Carolina.

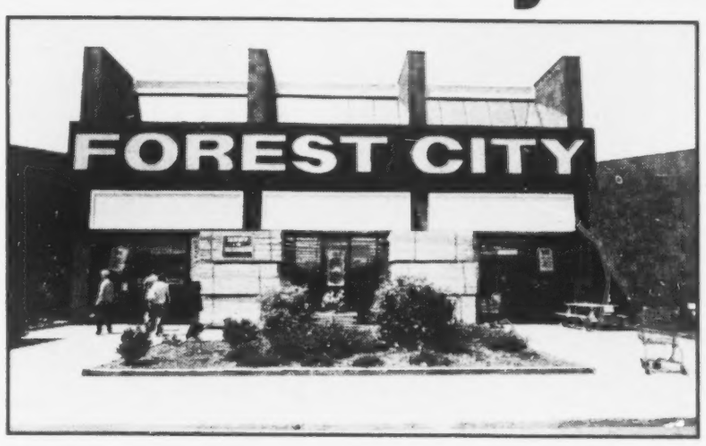
With the two firms under its belt, Hughes now operates
(Continued on page 61)

Handy Andy strikes deal to buy Forest City retail div.

By Gary Ruderman
NHCN staff editor

CLEVELAND — Handy Andy Home Improvement Centers Inc., signed an agreement Jan. 14 to purchase the 18-unit Forest City retail division from Forest City Enterprises, Inc., Cleveland, for an undisclosed amount of cash and notes.

Forest City expects to close the deal by the end of April, according to Helen Morgan, vp, Forest City Enterprises.



Forest City's $150 million, 18-unit retail division, whose origins date back to 1921, will be sold to Handy Andy, the Gurnee, Ill., chain. NHCN photo

Handy Andy, Gurnee, Ill., will acquire the inventory and assets, but not the land, of eight Forest City Home Improvement stores in Metro Detroit, eight in the Cleveland area, two units in Akron, Ohio.

Two Ohio distribution centers remained a matter of negotiation when the agreement was signed. Forest City Enterprises will lease the 11 parcels of land it owns and will sublease the others, the company stated.

The majority of Handy Andy units average 55,000 sq.
(Continued on page 61)

Revelstoke sells rural Canadian units to Home Hardware for $25M

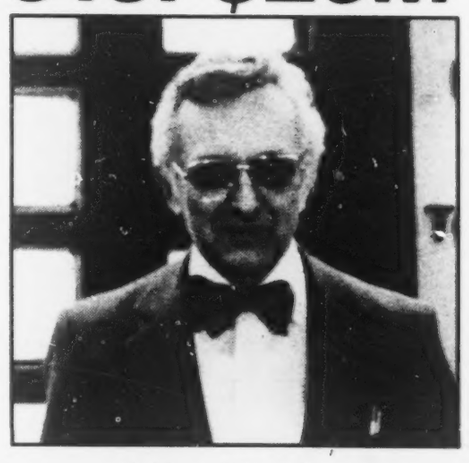
By an NHCN staff editor

CALGARY, Alberta — Revelstoke Companies Ltd. has sold its 52 rural building supply stores to Home Hardware, the 900-dealer, $500 million franchised wholesaler, for an estimated $25 million.

The deal, which will be completed Jan. 30, will give Home greater penetration into western Canada with hardlines stores having total sales of $59 million and ranging in size from 1,200 to 15,000 sq. ft.

This transaction also signals a new emphasis by Revelstoke on expanding in metro markets with its larger stores, of which it currently has 18 that generate approximately $80 million in volume. These stores broke even in 1986 and are expected to be profitable this year.

"I see Revelstoke's future in the major trading areas," said Steele Curry, the chain's president. He told *NHCN*
(Continued on page 62)



Walter Hachborn president, Home Hardware

Neiman-Reed's president, Jesse Ruf, buys company; three stores shuttered

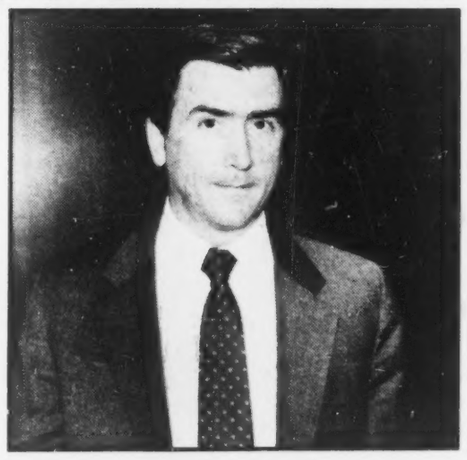
By Brad Altman
NHCN staff editor

VAN NUYS, Calif.— Jesse Ruf, president and ceo of Neiman-Reed's Lumber City since April 1986, bought the company in late December for an undisclosed amount from co-founder Robert Neiman and the company's two other shareholders.

In related transactions, Lumber City closed three stores in Woodland Hills, Reseda and Ventura and acquired Sunset Building Center, a single-unit home center on Sunset Boulevard in Los Angeles, which Ruf bought in 1979.

Neiman said the three shuttered stores represented valuable real estate parcels, and, because locations were "marginal," directors decided to sell.

The Sunset Boulevard unit will be added to the nine remaining Lumber City store
(Continued on page 61)



Jesse Ruf president, Neiman-Reed

San Diego Glass & Paint to close by late Feb.

By an NHCN staff editor

SAN DIEGO — Just days after locally-based Handyman shuttered its doors permanently, another retail institution—the 59-year-old San Diego Glass & Paint Co.—announced its planned departure from the hardware/home improvement business by late February.

Principal owner Bob Hanson decided the 18-unit chain, which posted $17 million sales last year, "is not getting the return on investment that it could get if the owners go out of business and become real estate brokers," said George Rotsheck, general manager.

The closing is expected to be completed by Feb. 21 after
(Continued on page 61)

INSIDE

National Home Center News Launches Project Sell

When they refer to their stores' efforts to sell projects, home center retailers around the country talk a good game. But it appears many dealers still grapple with marketing projects and often give short shrift to big ticket sales.

In a new section that will run every three months and begins on page 21, *NHCN* examines project selling from a merchandising, advertising and operational standpoint, to see where dealers are succeeding or falling short in their strategy to offer consumers a one-stop shopping environment.

NEWSBREAKS

JOSEPH LUMBER CLOSES TWO UNITS: Chicago independent Joseph Lumber closed two of its four stores since mid-December. The fourth-generation firm is reportedly for sale.

COMMODORE & PERMA-BILT SEEK MERGER: The two largest independent manufacturers of vanities and bath products said they were seeking a combination that would create a firm doing close to $100 million annually. Each company would maintain its own identity and autonomy for the foreseeable future.